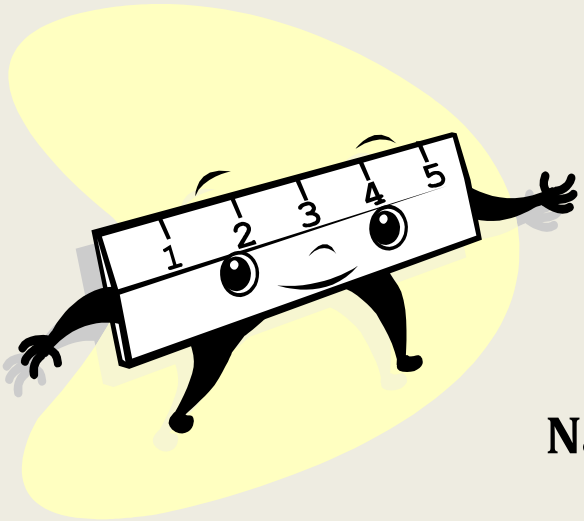
# Using Data and Performance Based Contracting to Drive Practice Change for Children and Youth in Residential Care in Illinois




**National Child Welfare Evaluation Summit**

**Washington, DC**
**August 29, 2011**

# Panelists

- Erwin McEwen, Director, Illinois DCFS
- Brice Bloom-Ellis, Statewide Residential Quality Assurance Manager, Illinois DCFS
- Mary Hollie, CEO, Lawrence Hall Youth Services
- Judge Kathleen A. Kearney, Children & Family Research Center, University of Illinois

# Topics Covered

- Project overview
- Collaborative planning process
- Outcome measures
- Risk adjustment model
- Results
- Lessons learned from implementation

# History of Performance Based Contracting (PBC) in Illinois

- Began in 1997 with foster care case management
- Objectives included:
  - ✓Reduce the # of children in substitute care through improved permanency
  - ✓Improved stability of placement
  - ✓Align performance incentives with desired outcomes
- Credited with right sizing and reforming Illinois child welfare system
- Developed predominantly by DCFS with little, if any, private sector involvement
- No formal evaluation was ever done

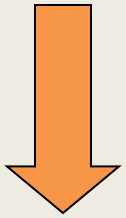
# *Striving for Excellence:*

Can PBC make a difference in residential care?

- Expands Illinois' PBC to residential treatment, Independent Living and Transitional Living Programs
- Grant from the National Quality Improvement Center on the Privatization of Child Welfare Services (QIC PCW) to document and evaluate how it is done

# Ever Increasing Challenges

Fewer youth in residential care overall, but greater proportion referred to residential care with histories reflecting severe psychiatric and behavioral problems



High concentration of

***extraordinarily*** challenging youth

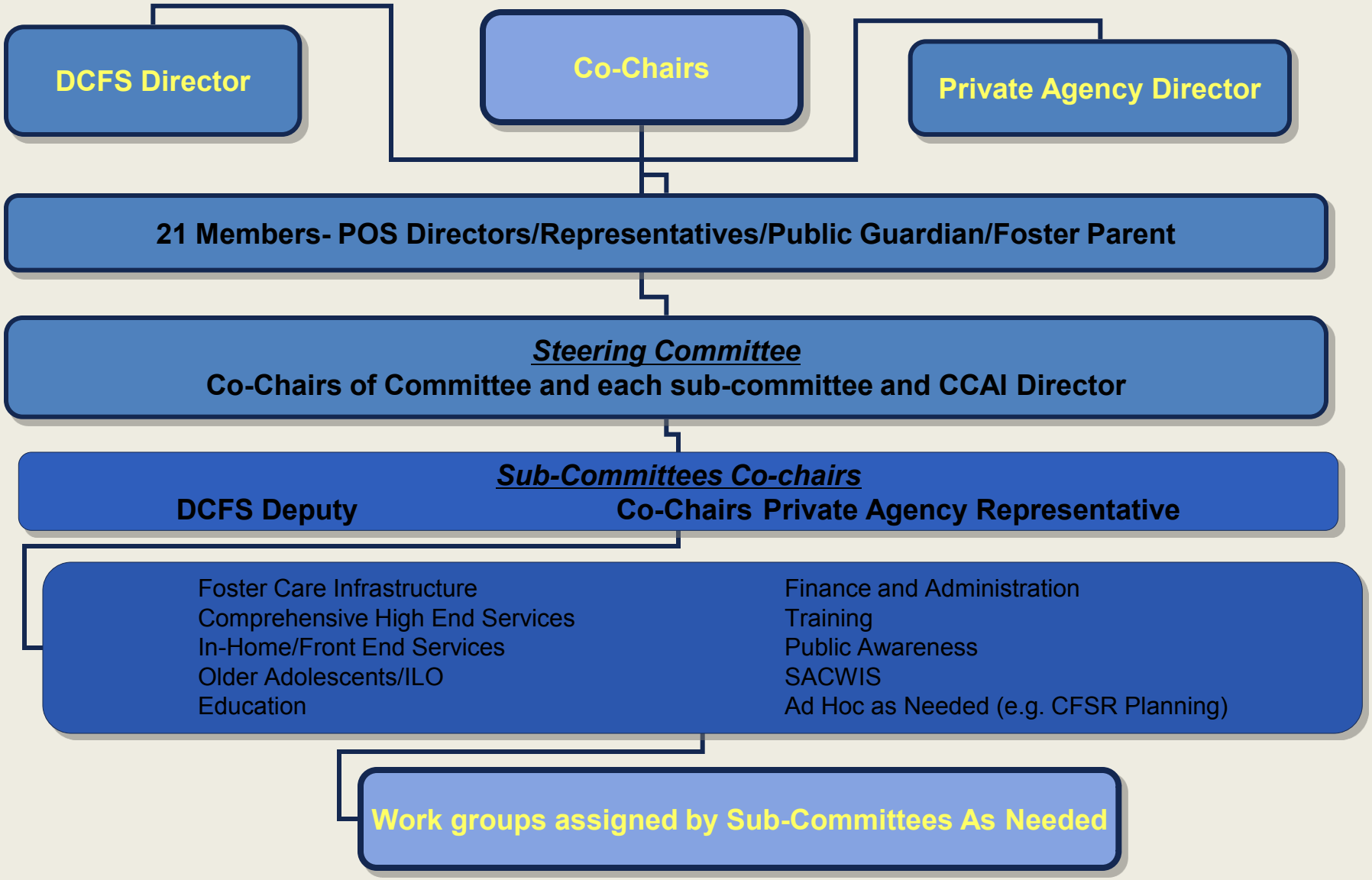
# Collaborative Planning

- Existing Child Welfare Advisory Committee (CWAC) structure used to develop proposed outcome measures, fiscal structure and risk adjustment strategy
- Child Care Association of Illinois holds Statewide Provider Forums to inform all private providers and get feedback
- Illinois Child Welfare Data Summits held by Children & Family Research Center to engage university partners and researchers

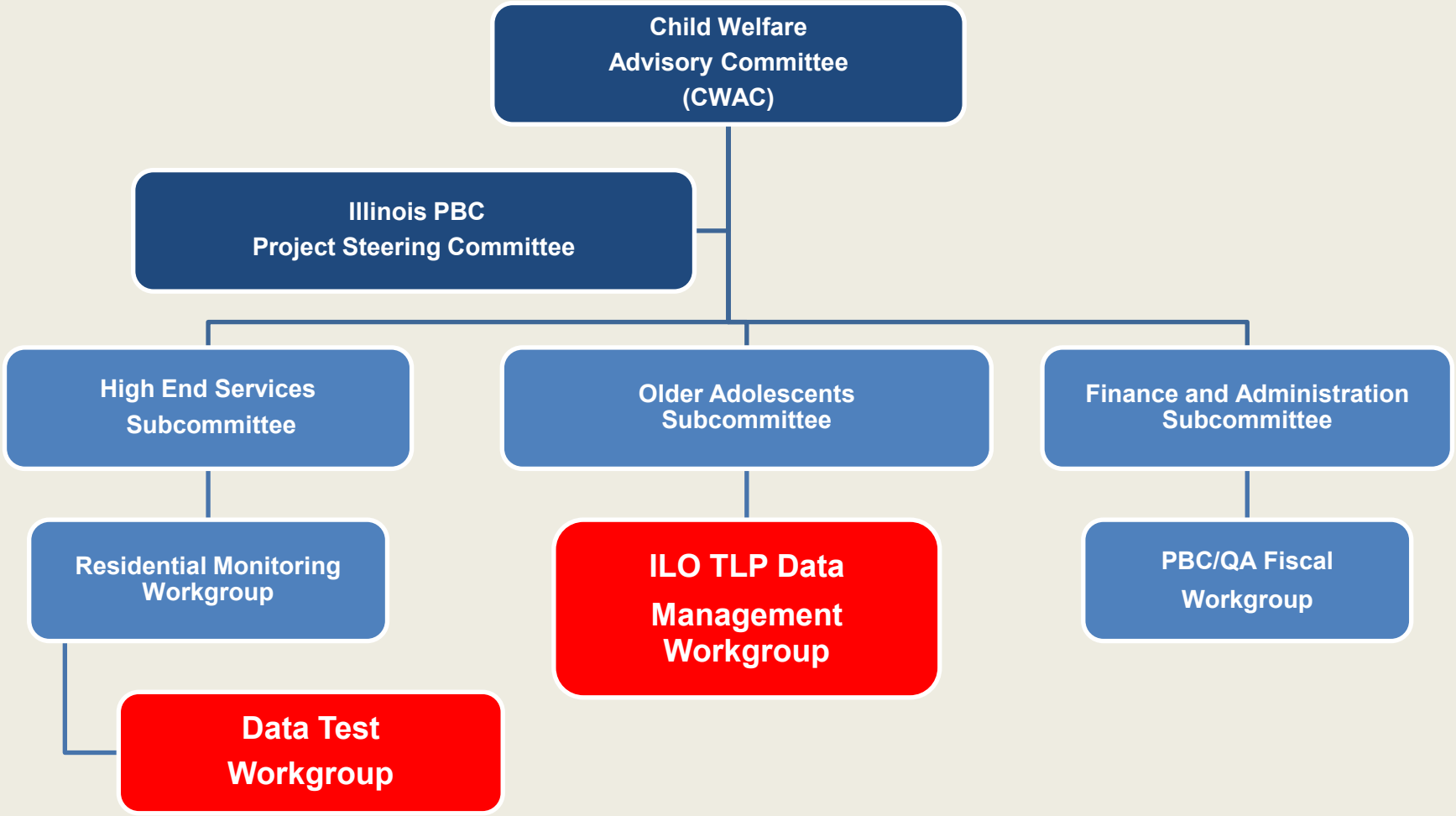
# ILLINOIS CHILD WELFARE ADVISORY COMMITTEE

*Organizational Structure*

*CWAC Full Committee*



# *Striving for Excellence* Organizational Structure



# Collaboration & Communication Were Essential

- 500+ collaborative meetings of since project inception with no end in sight!
- Agency commitment to let staff travel to and participate on subcommittees & workgroups
- Conference call capability for all meetings so those who cannot attend in person could participate
- Performance measures continue to be refined through public/private partnership using the CWAC structure
- Statewide Provider Forums, D-Net, provider list serve, informal monthly Residential Provider Group, and CCAI *Monday Report* used as communication tools

# First things first…

- Getting the right service, at the right time, for the right price, for the best results
- Importance of standardizing the rates first
  - Prior to PBC, rates were set using an individualized cost based rate methodology
  - Different levels of care with different staffing patterns needed to be considered
  - Staffing may be dependent on site specific issues, e.g. a cottage model versus a unit model
- 100% bed guarantee for providers
- No decline policy instituted

# The Numbers Involved: FY 2012

- 1,296 children & youth in residential treatment (institutional and group home care) out of 15,404 in substitute care
- 39 agencies/79 contracts
- FY12 expenditures on residential treatment anticipated to account for approx. 30% of the Dept's $591M substitute care budget

# Residential Performance Measures

**Goal 1:**
Improve Safety/Stability During Treatment

**Goal 2:**
Effectively and Efficiently Reduce Symptoms/ Increase Functionality

**Goal 3:**
Improve Outcomes At And Following Discharge

**Indicator:**
* Treatment Opportunity Days Rate

**(Original) Indicators:**
Immediate Discharge Disposition
Sustained Positive Discharge
Length of Stay

**Indicator:**
* Sustained Favorable Discharge Rate

# Treatment Opportunity Days Rate

- Percentage of time in treatment during a residential stay (spell) at a facility where the child/youth is not on the run, in detention or in a psychiatric hospital

$$\frac{\text{Active Days}}{\text{Active Days + Interruption Days}}$$

# Sustained Favorable Discharge Rate

Percentage of total residential spells resulting in sustained favorable discharges during fiscal year

- **"Favorable"** = positive step-down to less restrictive setting or a neutral discharge in a chronic setting (e.g. mental health or DD)
- **"Sustained"** = remain in discharge placement for 180 days or more
- **"Unfavorable"** = negative step-up to a more restrictive setting, disrupted placement, or lateral move to another residential facility or group home

# Residential Performance Fiscal Penalties and Incentives

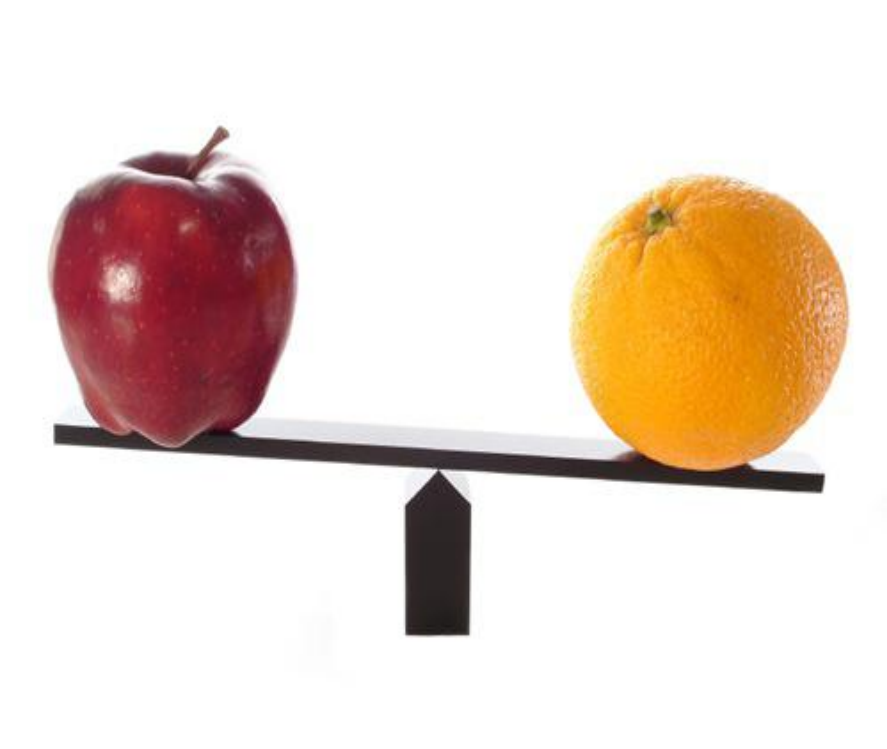
- Agencies failing to meet Treatment Opportunity Days Rate benchmark to be penalized 25% of their per diem for the difference between their actual and benchmark rates

- Agencies exceeding their Sustained Favorable Discharge Rate benchmark to receive incentive payments for each stepdown above their benchmark, equal to the savings between average residential and step down placement per diems for the average number of days their post-discharge placements were sustained (up to 270 days)

# But, what if the provider isn't set up to handle the kids you send them?

- Certain populations (e.g. "severe/profound" DD) and the providers serving them are excluded from PBC
- New providers can elect not to have a PBC contract for the first year
- Performance exempt youth (rare)
- Streamlining the admissions and referral process through electronic transmission of records
- Providers detail the characteristics of youth they can best serve
- Centralization of matching process into a Centralized Matching Team (CMT)

*"How can you compare my agency with others when I have the harder to serve kids?"*



# Applying Risk Adjustment Model

- Account for differences in case mix - youth with different characteristics/risk factors - related to performance outcomes
- Use statistical analysis to determine direction and relative weights of identified risk factors related to performance outcomes at statistically significant level
- Apply risk factor values to youth at each agency to determine expected outcomes by youth
  - Average risk adjusted values of youth at agency level to arrive at benchmarks

# Specific Risk Adjustment Factors Included

- Historical child systems involvement
  - child's history of detention, psych hosp, runaway, prior residential treatment
- Demographic characteristics
  - child's age, gender, geographic origin
- Other placement characteristics
  - length of spell, provider classification, location

# Applying the FY11 Risk Adjustment Model

**FY11 Residential PBC Benchmarks: TODR and SFDR - Preliminary** (28 Sep 2010)

| | | | | TODR | | | SFDR | | |
|---|---|---|---|---|---|---|---|---|---|
| **provider name** | **contract** | **class. level** | **spec. pop.** | **pred.** | **actual** | **diff.** | **pred.** | **actual** | **diff.** |
| Lawrence Hall | **12231420** | moderate GH | **YC** | **93.45** | | | **15.60** | | |
| Lawrence Hall | **12231421** | moderate GH | **no** | **87.57** | | | **21.70** | | |
| Lawrence Hall | 12232402 | moderate | no | **87.75** | 87.56 | -0.20 | **16.21** | 20.18 | 3.97 |
| Lawrence Hall | 12232403 | severe | no | **88.75** | 93.08 | 4.33 | **19.80** | 0.00 | -19.80 |

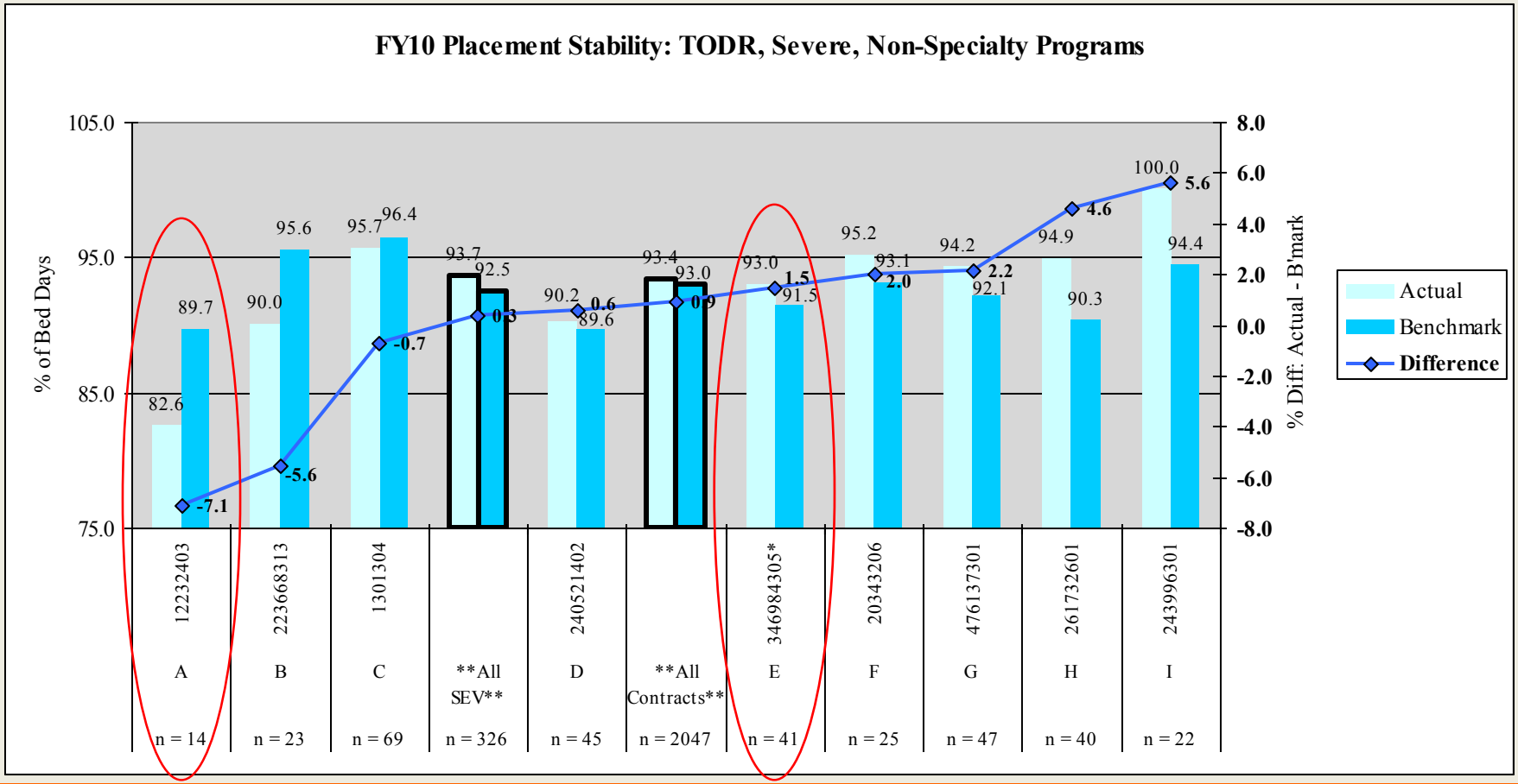
# Applying the FY11 Risk Adjustment Model

**FY11 Risk Adjustment Model: Risk Factor Descriptives**

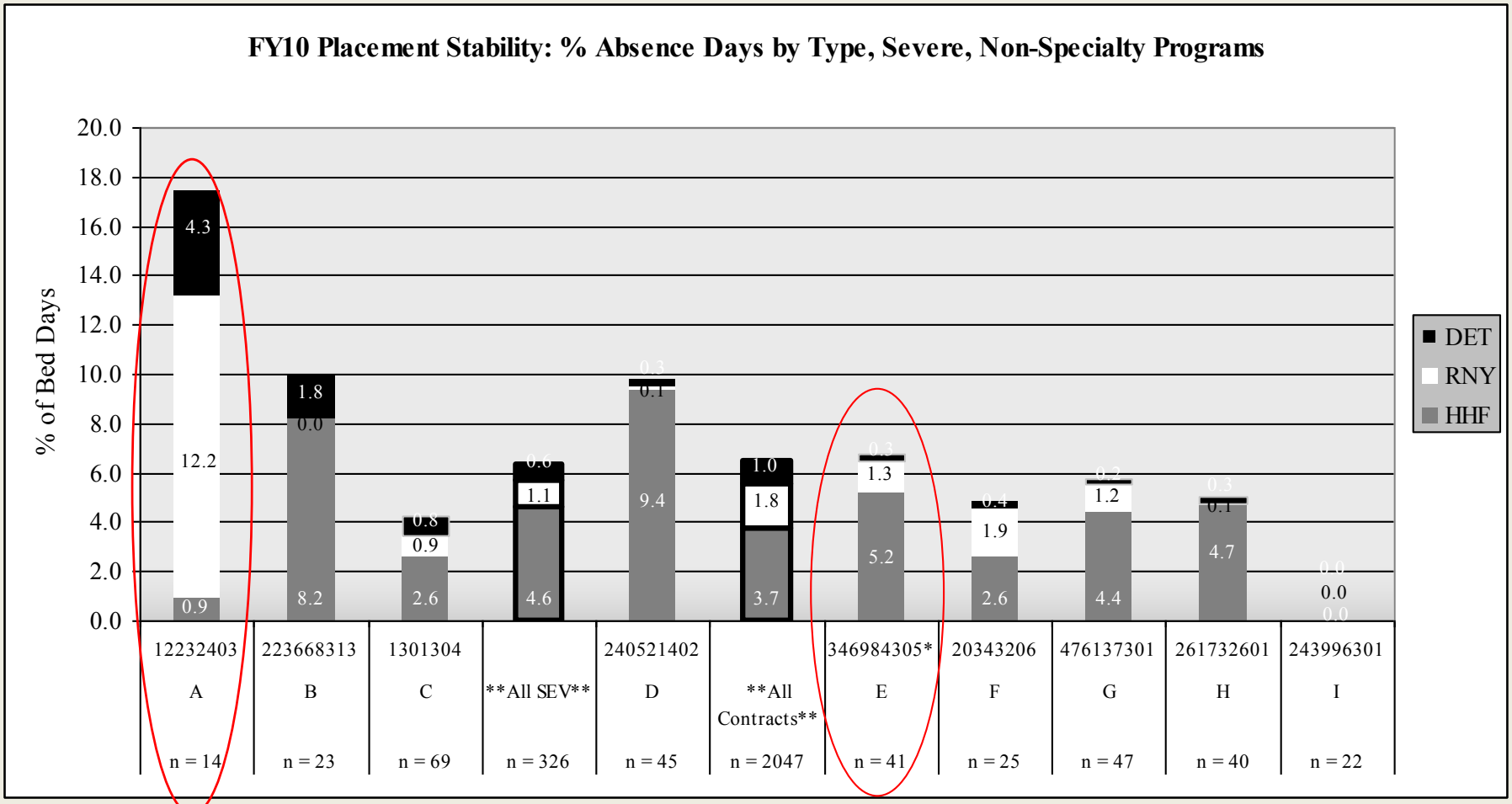
| Risk Factors | | Antipsy_ agg | DET | RNY | HHF | IPA_GRH | Lngth of Spl (yrs)* | Male | Age | Population_density | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | highest | high | low | lowest |
| **Overall Average** | | 65% | 39% | 44% | 75% | 44% | 1.24 | 61% | 15.7 | 30% | 22% | 27% | 21% |
| **Risk Multiplier (TODR)** | | -0.01 | **-0.03** | **-0.02** | -0.04 | **-0.01** | | **0.03** | 0.00 | **-0.06** | -0.04 | -0.02 | 0.00 |
| **Risk Multiplier (SFDR)** | | 1.05 | 0.56 | 0.63 | 0.67 | 1.23 | | 1.05 | **1.60** | 0.60 | 0.46 | 0.66 | 1.00 |
| **Agency** | **Contract** | | | | | | | | | | | | |
| Lawrence Hall | **12231420** | 58% | **42%** | **42%** | 67% | **67%** | 0.73 | **100%** | **13.8** | **100%** | | | |
| Lawrence Hall | **12231421** | 61% | **67%** | **82%** | 67% | **88%** | 0.73 | **79%** | **17.1** | **100%** | | | |
| Lawrence Hall | 12232402 | 64% | 48% | 68% | 68% | 38% | 0.79 | 98% | 15.5 | **100%** | | | |
| Lawrence Hall | 12232403 | 31% | 100% | 75% | 31% | 19% | 0.65 | 100% | 16.2 | **100%** | | | |

# Risk Adjustment and Performance Measurement

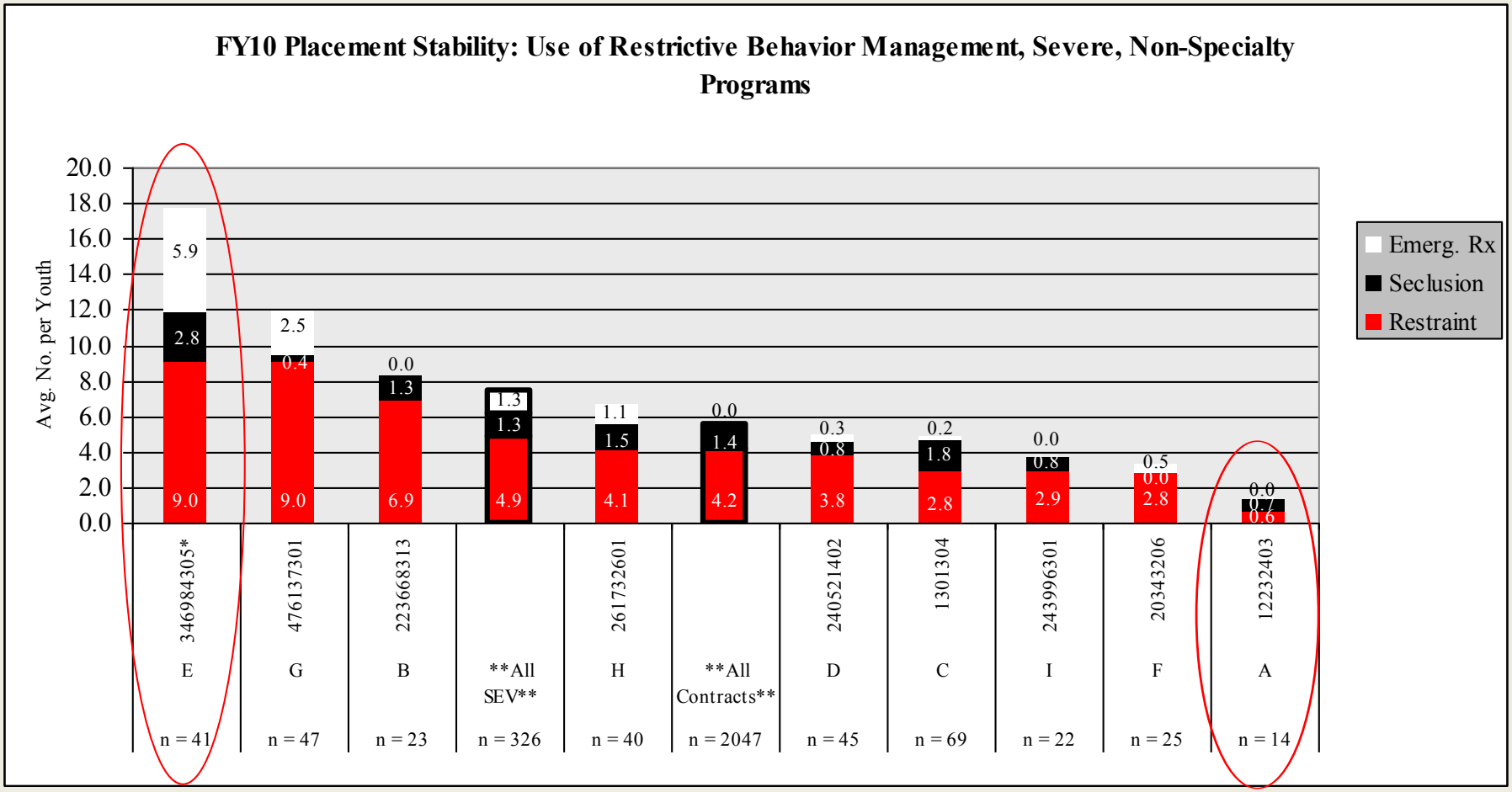
- Determine the difference between actual and risk adjusted, benchmark performance
- Compare providers serving similar populations



# Risk Adjustment and Performance Measurement



# Performance Measurement – From Different "Angles"



So, what happened?

Did overall system performance improve?

# Treatment Opportunity Days Rate

| | TODR | HHF | RNY | DET |
|---|---|---|---|---|
| FY08 | 93.0% | 4.1% | 1.9% | 0.9% |
| FY09 | 93.6% | 3.6% | 1.7% | 1.0% |
| Rate of change, FY08 - FY09 | 0.6% | -12.2% | -10.5% | 11.1% |
| FY10 | 93.5% | 3.7% | 1.8% | 1.0% |
| Rate of change, FY09 - FY10 | -0.1% | 2.8% | 5.9% | -5.0% |

= approx. 2,000 less psych. hosp. days than FY08

= approx. 800 less psych. hosp. days than FY08

# Sustained Favorable Discharge Rate

| | # Spells | # SFD | **SFDR** |
|---|---|---|---|
| FY08 | 2,073 | 354 | **17.1%** |
| FY09 | 1,969 | 351 | **17.8%** |
| FY10 | 2,047 | 376 | **18.4%** |

Once implemented initially, did the outcome measures and program features evolve over time to ensure continued success?

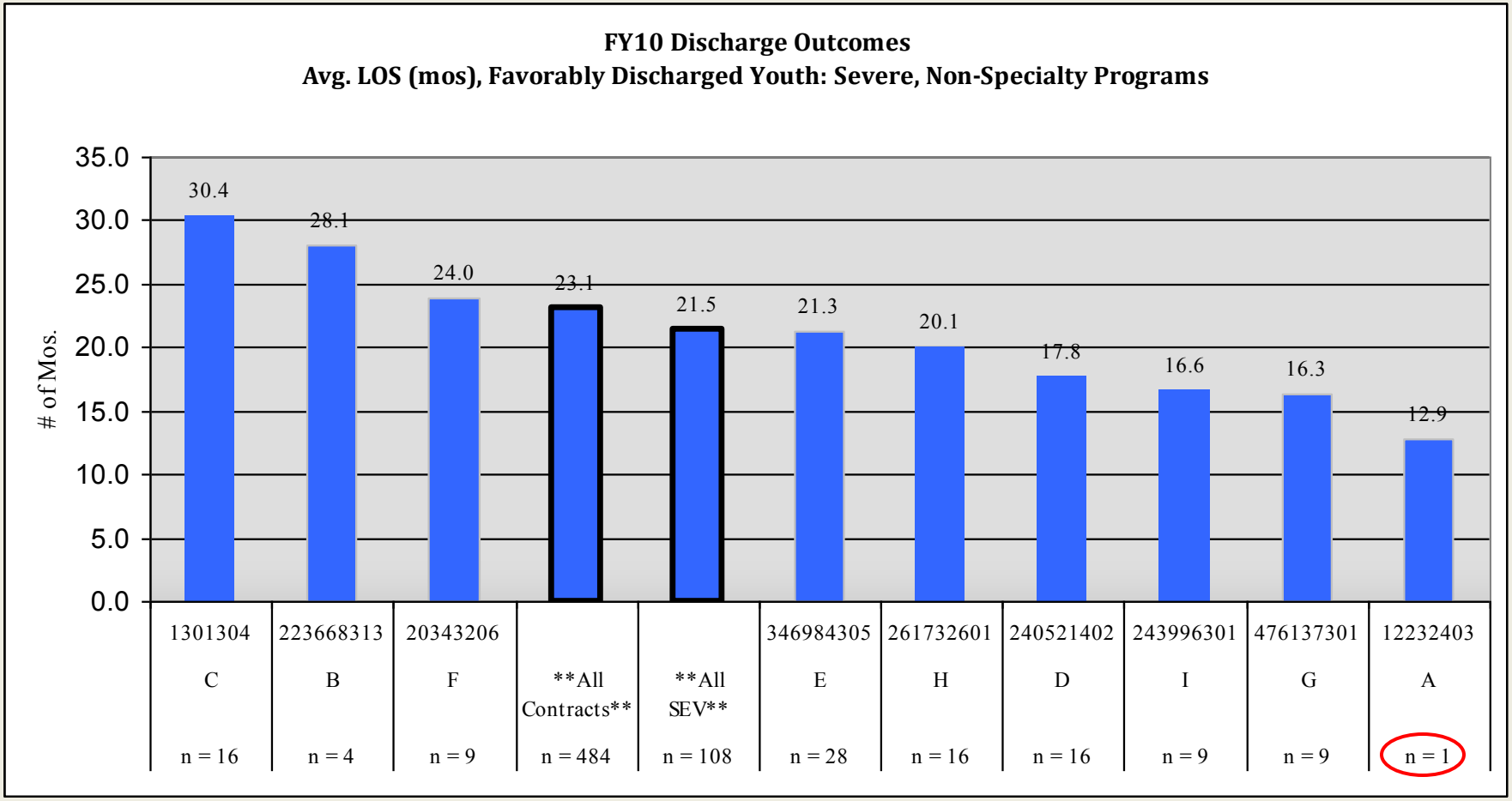
# Residential Performance Fiscal Penalties and Incentives

- Agencies that fell below their FY09 Treatment Opportunity Days benchmark were penalized
  - 24 of 41 agencies penalized for a total of $712,033
  - The median penalty was $23,915.
- Agencies that exceeded their FY09 Sustained Favorable Discharge Rate benchmark received incentive payments
  - 21 of 41 agencies received payments for a total of $3,155,904
  - The median incentive payment was $115,254.
- During FY11 the State of Illinois fiscal crisis required the Dept. to suspend fiscal penalties and incentives beginning with FY10 performance results

# Residential Performance Implications

- Since FY09, 3 agency contracts terminated, 18 agencies with corrective action plans implemented
- Urban group homes have performed poorly compared to other provider groups
  - Work group assigned to analyze findings, make recommendations
    - Implications for referrals

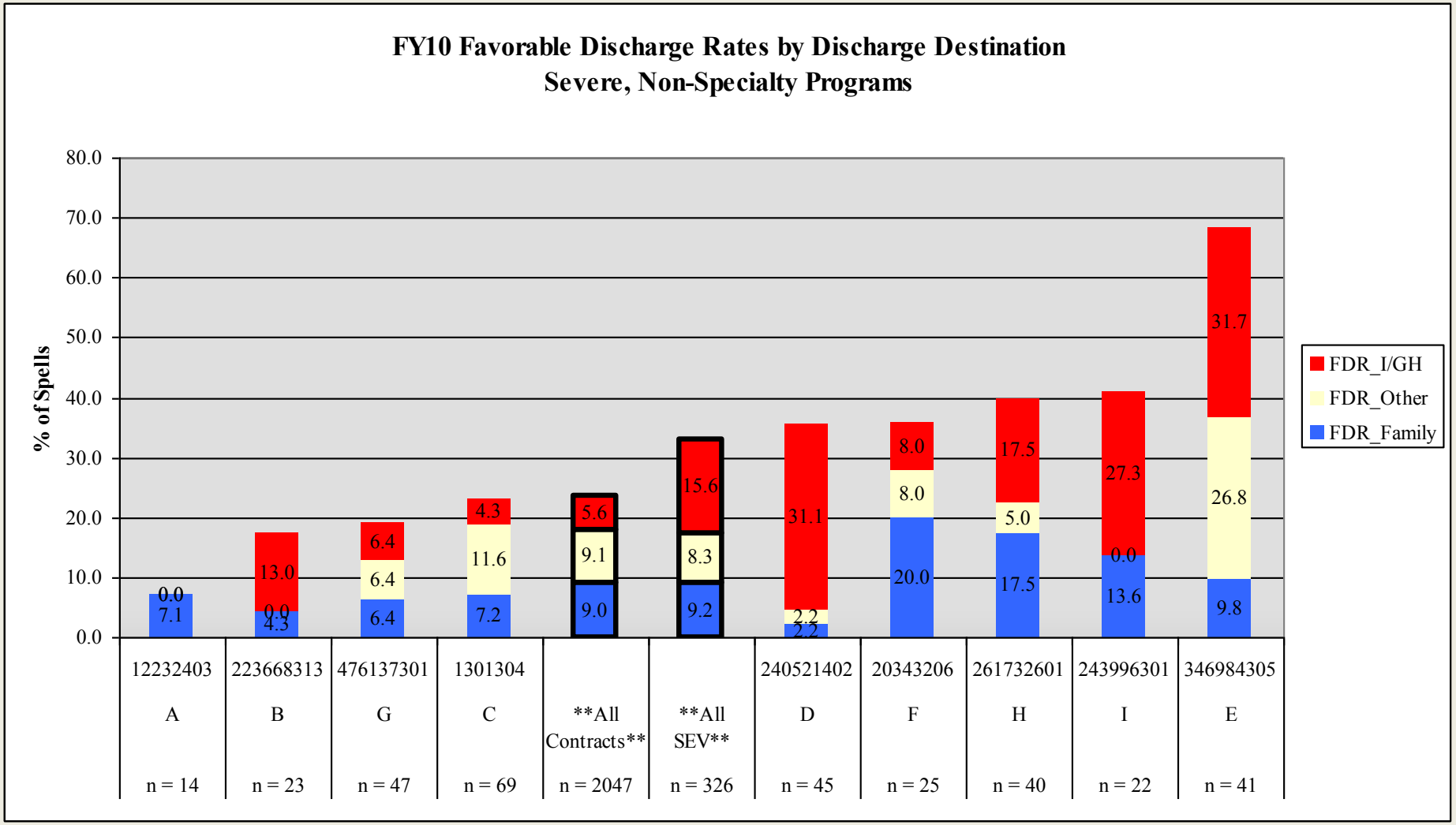
# Residential Performance Implications
## Length of Stay



# FY11 PBC Changes

- Use risk adjustment to raise expectations for reduced length of stay
  - Change length of spell risk factor
    - More accurately reflect probability of sustained favorable discharge
  - Apply multiplier to length of spell risk factor
    - Increase expectations across all providers
- Improve accuracy of performance evaluation
  - Issue preliminary, final benchmarks
    - Based on population in residence at beginning and end of FY

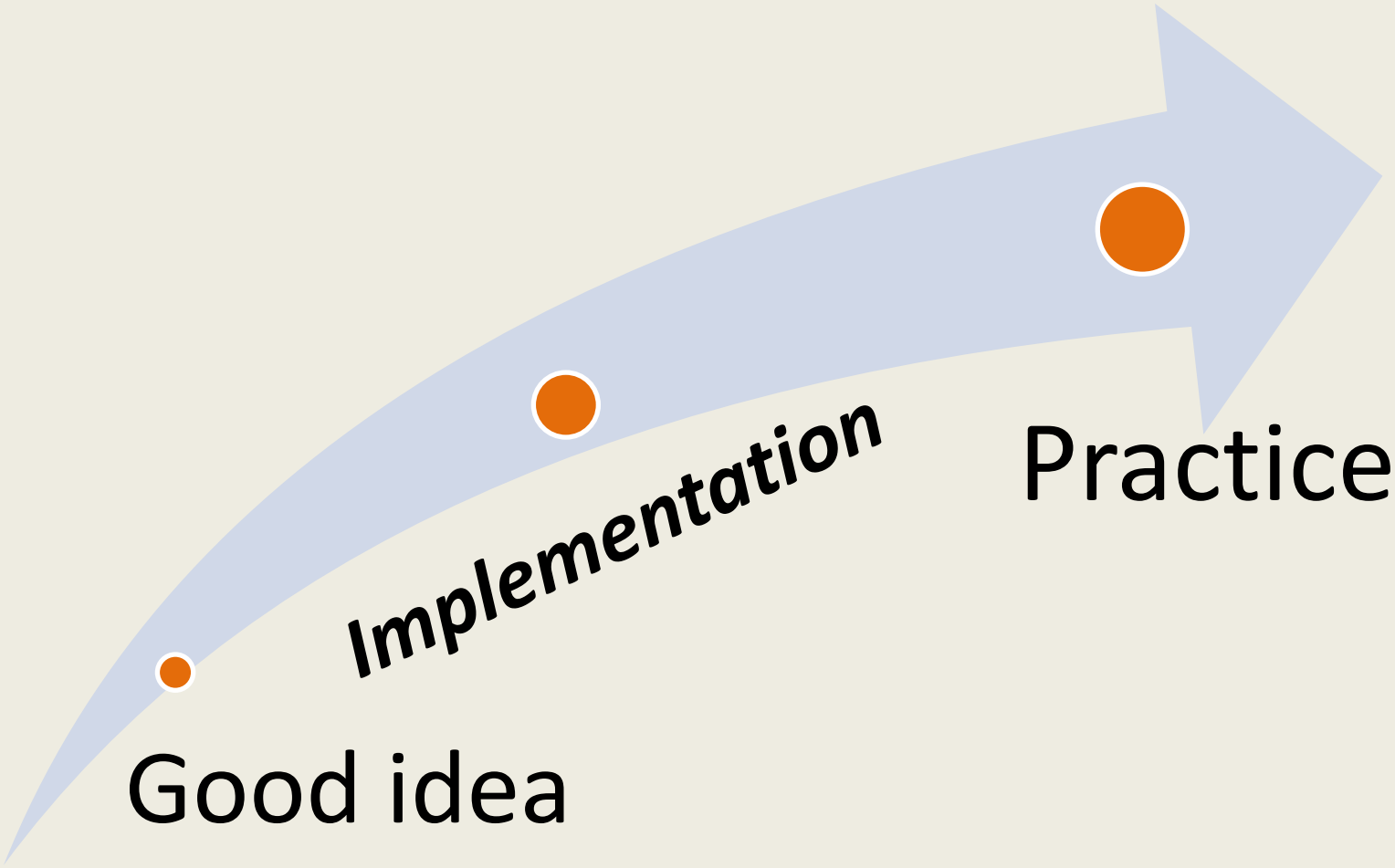
# Residential Performance Implications
## Placement with Family / Achieving Permanency



# FY12 PBC Changes, Other Initiatives

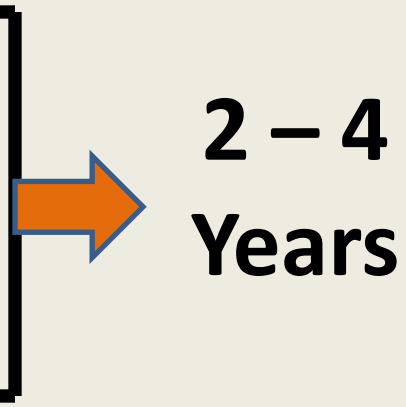
- Changed SFDR measure to weight discharge to family settings over other destinations
  - "De-valued" steps down within I/GH, other congregate care settings
- Added contract requirements related to family finding and engagement
- Developing more robust utilization review process focused on length of stay, family involvement, transition/discharge planning
- Initiating Permanency Innovations Initiative focused on residential population
  - "Resourcing up" for family finding/engagement and post-discharge support

# *What does research tell us about implementing a project like this?*



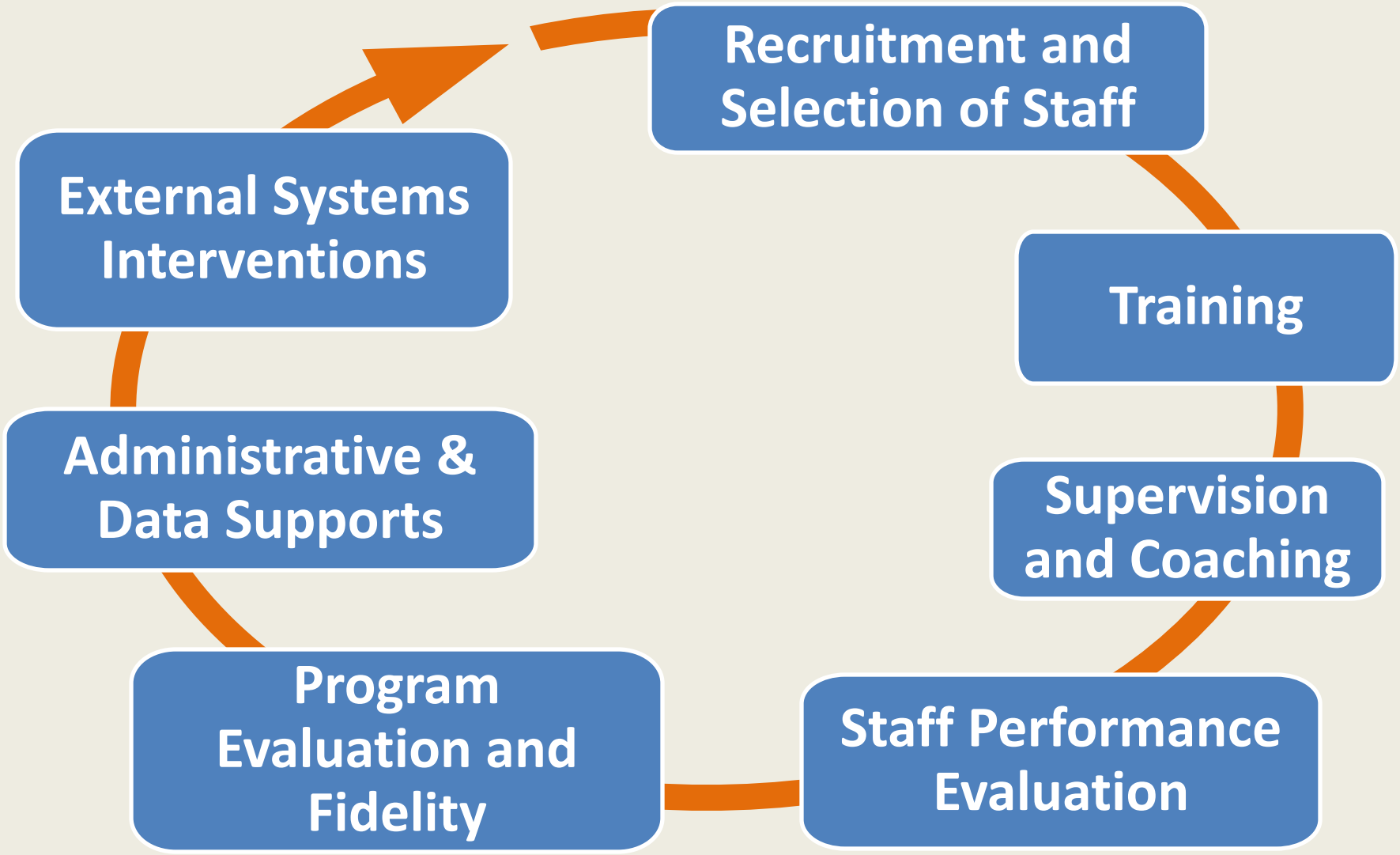
# Stages of Implementation

- **Exploration**
- **Installation**
- **Initial Implementation**
- **Full Implementation**
- **Innovation**
- **Sustainability**




Fixsen, Naoom, Blase, Friedman, & Wallace, 2005

# Implementation Drivers



# Key Elements Supporting Organizational Change

- Commitment of leadership to the implementation process
- Involvement of stakeholders in planning and selection of programs to implement
- Creation of an implementation task force made up of consumers and stakeholders
- Suggestions for “unfreezing” current organizational practices
- Resources for extra costs, effort, equipment, manuals, materials, recruiting, access to expertise, re-training for new organizational roles
- Alignment of organizational structures to integrate staff selection, training, performance evaluation
- Alignment of organizational structures to achieve horizontal and vertical integration
- Commitment of on-going resources and support

# Implementation Case Studies

*Mixed methods including:*

- Performance on PBC outcome measures
- On site facility visit
- Implementation survey of frontline, supervisory, clinical and administrative staff on implementation drivers (78 items)
- Separate implementation focus groups of frontline, supervisory/clinical, administrative staff (15 questions) on implementation drivers, practice changes, strategies to achieve benchmarks
- Document review
- QIC PCW frontline staff and QA surveys if completed by the agency

# Agency Selection

| | |
|---|---|
| **2009** | **3 highest performing agencies; 2 lowest performing agencies** |
| | 3 agencies had RTCs; 4 agencies had group homes |
| | 2 agencies were located in urban Chicago, 1 in urban East St. Louis, 1 in Cook County suburbs, 1 in a small city in central Illinois |
| **2010** | Specialty populations (2 with children under the age of 12; 2 with SBP youth; 1 with DD youth, 1 with BD youth); length of stay |
| | 4 agencies had RTCs; 3 agencies had group homes |
| | 1 agency in rural central Illinois, 2 in small central Illinois cities, 1 in northern Illinois suburbs, 1 in urban Chicago |
| **2011** | In the process of being finalized; programs which engage families and emphasize permanency for older youth are being strongly considered |

# Knowledge of PBC

| 2009 | 2010 |
| --- | --- |
| ▪5 agency CEOs aware of PBC; 4 knew specific outcome measures<br>▪Limited number of supervisors in the higher performing agencies knew of the specific PBC outcome measures<br>▪Most supervisors knew their agency was being monitored for runs, hospitalizations and detentions but not why<br>▪No frontline staff knew what PBC was or what outcome measures their agency was being held accountable for<br>▪No training was held on PBC, yet all frontline staff were interested in knowing more about it<br>▪All frontline staff and some supervisors thought the new Medicaid requirements to document services was PBC | ▪5 agency CEOs aware of PBC; 4 knew specific outcome measures<br>▪All supervisors knew of the specific PBC outcome measures, could articulate them and indicate why they were important<br>▪Most frontline staff knew their agency was being monitored for runs, detentions and hospitalizations, but not the specific outcomes<br>▪Many frontline staff could give examples of strategies they used to engage youth in treatment so they would not run or escalate negative behaviors<br>▪Two higher performing agencies had incorporated PBC measures into training<br>▪Less confusion about PBC v. Medicaid |

# Staffing & Supervision

| 2009 | 2010 |
| --- | --- |
| ▪None of the 5 agencies changed staff hiring qualifications or performance expectations as a result of PBC<br>▪None of the 5 agencies changed supervisory protocols; 1 agency changed its supervision model to one of group supervision which helped with unexpectedly with TODR<br>▪None of the 5 agencies utilized coaching to help frontline staff engage youth<br>▪1 of the 5 agencies created new recreational therapist positions to engage youth to in treatment | ▪None of the 5 agencies changed staff hiring qualifications for PBC<br>▪1 agency changed performance expectations to include active engagement of youth in treatment<br>▪1 agency changed supervisory protocol to include heightened scrutiny on the ability of staff to engage youth<br>▪None of the 5 agencies utilized coaching<br>▪1 agency created new post discharge coordinator positions to enhance stability of youth after step-down |

# Decision Support Systems

| 2009 | 2010 |
| --- | --- |
| ▪Only 1 of the 5 agencies had included the PBC measures into their QA monitoring protocols<br>▪Only 1 of the 5 agencies had developed a system to track fiscal implications<br>▪None of the 5 agencies had infused PBC related QA activities at the frontline level<br>▪In 1 agency the frontline staff themselves started to track youth's escalating behaviors as a means to prevent runs<br>▪QA staff in all of the agencies were hampered by Medicaid changes which required their full time attention | ▪4 of the 5 agencies had included the PBC measures into their QA monitoring protocols<br>▪3 of the 5 agencies had developed systems to track fiscal implications<br>▪2 of the 5 agencies had infused QA activities at the frontline level<br>▪1 agency had well written QA protocols and tracking mechanisms on paper, but no frontline staff or supervisor was aware of them<br>▪Medicaid changes were still involving a substantial portion of QA staff time and effort |

# Contextual Variables

- Staff in lower performing agencies blamed youth for their poor performance

  *"Toxic parents caused this damage and we are trying to save these kids and shouldn't be punished for taking care of them."*

  *"I don't care what they say, our kids are tougher than anyone else's."*

# Contextual Variables

- Lower performing agencies did not have a well defined treatment model; staff could not articulate the treatment model
- All 10 agencies reported that their populations included a significant number of youth who came from disrupted adoptions or kinship placements
- All 10 agencies reported increases in the number of youth with conduct disorders

# *ANY QUESTIONS?*

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